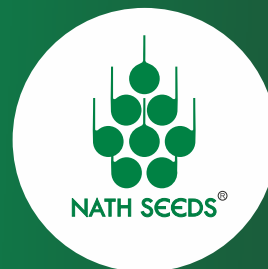


ANNUAL REPORT

2017-18



Nath Bio-Genes (I) Ltd.

हर बीज खरा, शक्ति भरा®

24th Annual Report 2017-2018

Corporate Information

Directors

Nandkishor Kagliwal - Chairman
Satish Kagliwal - Managing Director
Sweta Kagliwal
Kashinath Iyer
Shrirang Agrawal
Omprakash Sharma

Chief Financial Officer

Devinder Khurana

Statutory Auditors

Ashok R Majethia
Chartered Accountants
Utsav Complex office No-7
Bazar Peth, Dist Raigad
Khopoli-410 203

Registered Office

Nath House, Nath Road
Aurangabad-431005

Administrative Office

1, Chateau Windsor
86, Veer Nariman Road
Churchgate, Mumbai – 400 020

Registrar & Transfer Agents

Big Share Service Private Limited,
1st floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Moral, Andheri - (East), Mumbai-400059
Tel.: 022-62638200 / 10



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Notice

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Nath Bio-Genes (India) Limited will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad-431005 on Saturday, August 04th, 2018 at 11 a.m., to transact the following business:

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2018 and Statement of Profit & Loss for the year ended as on that date together with the Reports of Directors and Auditors there on.

2. Appointment of Auditors

To appoint auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution there of;

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) be and are hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of next 6th Annual General Meeting of the Company, subject to ratification as to the said appointment at every Annual General Meeting, and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending on March 31, 2018 as may be determined by the Audit Committee in consultation with the Auditors.

3. Re-appointment of Director

To appoint Mrs. Sweta Kagliwal as Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Managing Director

To consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, and recommendation of the Nomination and Remuneration Committee and Audit Committee, approval be and is hereby accorded to the re-appointment of Mr. Satish Kagliwal as Managing Director of the Company for the period of 5 years effective from 1st August 2018 to 31st July 2023 on the following terms and conditions, including remuneration (effective from 01 April 2018), with liberty to the Board of Directors to alter and vary such terms and conditions, including remuneration subject to approval of shareholders in Annual General Meeting of the Company, as mentioned below:

Sr. No.	Salary & Perquisites (per annum)	₹ in Lacs
1	Basic Salary	20,00,000
2	Special Allowance	15,00,000
3	Other Allowance	12,50,000
4	Conveyance Allowance	25,000
5	Medical Allowance	25,000
	Total	48,00,000

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013.”

By order of the Board of Directors

Date: 30.05.2018

Registered Office: Nath House, Nath Road, Aurangabad-431005

CIN: L01110MH1993PLC072842

Satish Kagliwal

Managing Director

DIN: 00119601

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The Proxy Forms duly completed must reach the Registered Office of the company not less than forty-eight Hours before the commencement of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
4. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 30th July 2018 to 04th August 2018 both days inclusive.
5. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
6. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/Bigshare Services.

7. Evoting Instructions

The instructions for members for voting electronically are as under: -

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Wednesday 01st August 2018 9.00 Am IST> and ends on <Friday 03rd August 2018 5.00 Pm IST>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <28th July 2018> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) •Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdsindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdsindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdsindia.com

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 and 5 of the accompanying Notice:

Item No. 2

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s Ashok R Majethia, Chartered Accountants, (Firm Registration No 127769W), were appointed as the statutory auditors of the Company for a period of Five years at the Annual General Meeting (AGM) of the Company held on 24th August 2017, to hold office till the conclusion of the AGM to be held in the Calendar Year 2022.

In view of the above, As per provisions of Section 139(1) of the Act, Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) being eligible and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 31st, 2017, proposed the appointment of Ashok R Majethia & Co. Chartered Accountants, (Firm Registration No. 127769W) as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the next 6th AGM (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

Item No 3

Details of directors retiring by rotation and seeking re-appointment

Name of Director	Mrs. Sweta Kagliwal
Date of Birth	04.02.1982
Date of Appointment	30.03.2015
Qualification	Post Graduate
Expertise in specific Functional areas	Wide Business experience across variety of industries
Chairman/ Director of other companies	<ul style="list-style-type: none"> ● Agri-Tech (India) Ltd ● Techindia Nirman Ltd
Chairman/ Member of Committees of other Companies	NIL
No of shares held in the Company	Nil

Item No 4

Reappointment of Managing Director

The shareholders may note that Mr. Satish Kagliwal was appointed as the Managing Director of the Company from 1st August 2013 for a period of 5 years and accordingly his term of office is valid up to 31st July 2018. Since his current tenure is coming to an end, there is a need to re appoint him as Managing Director of the Company for another period of FIVE years, pursuant to the Companies Act.

The members may also note that based on the recommendation of the Nomination and remuneration committee, The Board of Directors at their meeting held on 30th May 2018 approved the increase in remuneration of Mr. Satish Kagliwal, Managing Director of the Company under the provisions of the Companies Act 2013, wef 1st April 2018. Mr. Satish Kagliwal was drawing a remuneration of Rs 30.00 lacs per annum.

Except Mr. Satish Kagliwal & Mr. Nandkishor Kagliwal, none of the Directors are interested or concerned in this resolution.

By order of the Board of Directors

Date: 30.05.2018
Registered Office: Nath House, Nath Road, Aurangabad-431005
CIN: L01110MH1993PLC072842

Satish Kagliwal
Managing Director
DIN: 00119601



Directors Report

Your Directors are pleased to present the 24th Annual Report together with the Audited Accounts of your Company for the financial year ended 31st March 2018.

Financial Results

Sr.No.	Particulars	Year Ended	
		31.03.2018	31.03.2017
1	Sales	19165.08	16986.85
2	Profit before Interest & Depreciation	4131.47	2944.09
3	Interest	1030.96	965.71
4	Depreciation	95.07	303.04
5	Profit Before Tax & Extra-ordinary items	3005.45	1675.34
6	Tax Provision (Net of Deferred Tax)	63.60	47.10
7	Profit After Tax	2941.85	1628.25
8	Extra-Ordinary Items	0	0
9	Profit available for Appropriation	2941.85	1628.25
10	Balance carried to Balance Sheet	2941.85	1628.25

Financial Highlights and Operations

Income from operations during the financial year ended 31st March 2018 was at Rs 19165.08 Lacs as against Rs 16972.56 Lacs representing an increase of approximately 12.83% over the previous year. Profit after Tax for the year under review amounted to Rs 2941.85 Lacs as against Rs 1628.25 Lacs in the previous year representing an increase of 80.68 %. The increase in profits during the year under review was on account of enhanced sales, improved product mix and operational efficiencies.

Research & Development & New Products

Research and Product Development programs at the NBIL have constantly undergone major scientific up-gradation over the last few years. Advance breeding strategies, with novel genetic resources, gene pyramiding with molecular-aided gene tracking systems, and extensive testing of genetic stocks, breeding lines and hybrids derived thereof, are generating a range of pre-determined designer products.

Our recently launched products in the Farmers' fields represent the new breed and benchmark of hybrid seeds. They are endowed with significant genetic enhancement for yield potential, as well as Climate Resilient capability.

NBIL continues to provide substantial financial allocations to further strengthen its Research & Development programs. The competitive environment in the area of hybrid seeds is rapidly growing. Therefore, it is no longer enough to offer high yielding hybrid varieties to the Indian Farmers. It is now becoming a mandatory requirement that such hybrids carry additional built-in value through seed embedded technologies/genes providing durable protection against specific diseases, pests and vagaries of nature (floods/drought/heat stress etc.)

Technological up-gradation remains a continual process at the NBIL. In cotton, in addition to stacking GM traits for bollworm protection, we are on the constant lookout for novel germplasm resources for imparting/enhancing resistance/ tolerance against some of the notorious sucking pests, as also dehydration-stress (drought). Big Boll size (for reduced labor and ease in picking) and excellent re-flushing abilities are the additional novelties our new Bt-Cotton products (for Central and South Zone) are almost invariably carrying.

To summarize, your company is constantly endeavoring to invest time, energy and money in Research and Development efforts to create high yield products to benefit the farming community at large.



INTERNATIONAL COLLABORATIONS:

Nath Bio-Genes, jointly with its sister concern Global Transgenes Ltd., had signed agreement for R & D collaboration and commercialization thereof, of Fusion-Bt. Cotton technology in Philippines. Due processes of trans-boundary regulations, in accordance to the provisions of the Cartagena Protocol, have been followed strictly for transfer of Fusion-Bt. Embedded cotton seeds.

PhilFIDA (Fibre Crops Development Authority, under Govt of The Philippines) is directly coordinating with NBIL-GTL of India, in view of our track record and scientific competence in pursuing the Fusion-Bt Technology approval process in India.

Qualified Institutional Placement

Your company made a QIP, by issuing further equity, in January 2018 to qualified institutions. The total QIP size was INR 136.50 Crores. The basic agenda of the fund usage was to repay all long-term loans of the company and to strengthen the working capital requirement. We plan to utilize the infused capital for better growth of the company.

Management Discussion & Analysis

A detailed report on the management discussion and analysis is provided as a separate section in this Annual Report.



Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and rules made thereunder is enclosed.

The Requisite Certificate from the Auditors of the Company, Ashok R Majethia, Chartered Accountants, conforming compliance to the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, is annexed to this Report

Dividend

Given the growth requirements of the business, the Directors have not recommended any dividend for the financial year 2017-18.

Deposits

Your company has not accepted any fixed deposits during the year under review.

Risk Management

The company has a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

Directors & Key Managerial Person

Mr. Satish Kagliwal was appointed as the Managing Director of the Company from 1st August 2013 for a period of 5 years and accordingly his term of office is valid up to 31st July 2018. Since his current tenure is coming to an end, he is being re-appointed as Managing Director of the Company for another period of FIVE years, pursuant to the Companies Act.

Mrs. Sweta Kagliwal, Director retires by rotation and being eligible offers herself for re-appointment. Pursuant Section 152 of the Companies Act 2013, Details of Directors retiring by rotation is provided as part of the Notice of the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

Auditors

At the Annual General Meeting held on 24th August 2017, M/s Ashok R Majethia, Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2022.

Internal Auditors

The Board of Directors of the Company has appointed a professional firm of M/s. Manpreet Khurana & Co., Chartered Accountants to conduct internal audit of the Company for the financial year ended 31 March 2018.

Indian Accounting Standards - IFRS Converge Standards

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 had notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, your Company has adopted Indian Accounting Standards with effect from 01st April, 2017 with the comparatives for the period ending 31st March, 2016. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company had set up a dedicated team and the conversion has been achieved within the deputed time frame.

Internal Financial Controls

The internal financial controls (IFC) framework at Nath Bio-Genes (India) Ltd encompasses internal controls over financial reporting (ICOFR) as well as operational controls that have been put in place across all key business processes of the Company. The achievement of the Company's business objectives and such controls do enable the Company to adapt to changing and operating environment, to mitigate risks to acceptable levels and to support sound decision making and good governance. Details in respect of adequacy of internal financial controls with reference to the financial statements are briefly iterated below:

- a. The Company maintains all its major records in ERP System.
- b. The Company has appointed internal auditors to examine the internal controls, whether the workflow of the organization is being done through the approved policies of the Company. In every quarter, during the approval of financial statements, internal auditors present the internal audit report and the management comments on the internal audit observations; and
- c. The Board of Directors of the Company has adopted various policies such as related party transactions policy, whistle blower policy, policy to determine material subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Auditors' Report

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Transactions With Related Parties

Information on transactions with related parties pursuant to section 134(3) (h) of the act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure IV in Form AOC 2 and the same forms part of this report.

Secretarial Audit

M/s Neha P Agrawal, Practising Company Secretary has been appointed as the secretarial Auditor of the Company for the financial year 2018-19 as required under Section 204 of the Companies Act 2013 and Rules thereunder. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as Annexure V to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Committees Of The Board

Currently the Board has six committees: The Audit Committee, the stakeholders' relationship committee, the nomination & remuneration committee, the corporate social responsibility committee, risk Management Committee, & whistle blower committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The Composition of the Committees and compliances, as per the applicable provisions of the Act and Rules are as follows: